

## ESTIMATED BUDGET EFFECTS OF AN EXTENSION OF HIGHWAY TRUST FUND EXCISE TAXES AND RELATED TRUST FUND PROVISIONS, AS APPROVED BY THE SENATE COMMITTEE ON FINANCE ON OCTOBER 1, 1997

[Fiscal years 1998–2007, in million of dollars]

Provision	Effective	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1996–2002	1998–2007
1. Extend Highway Trust Fund excise taxes through 9/30/05 .....	10/1/99 .....						No Revenue Effect						
2. Extend income tax credits for ethanol through 12/31/07 and ethanol excise tax exemptions through 9/30/07, and reduce tax subsidy from 54 cents/gallon to 53 cents/gallon to 53 cents/gallon in 2001–2002, 52 cents/gallon in 2003–2004, and 51 cents/gallon thereafter .....	1/1/01 .....				10	14	25	29	40	45	45	24	208
3. Extend Highway Trust Fund expenditure authority through 9/30/03 .....	10/1/97 .....						No Revenue Effect						
4. Clarification of tax treatment of environmental grant monies .....	DOE .....						No Revenue Effect						
5. Repeal the 1.25 cents/gallon rail diesel tax .....	5/16/99 .....			–11								–11	–11
6. Tax-exempt bonds for private sector highway infrastructure construction .....	bia DOE .....		–2	–5	–7	–10	–13	–15	–17	–18	–13	–85	–85
7. Allow employees to elect between cash compensation, qualified transportation fringe benefits or a combination of both <sup>1</sup> .....	tyba 12/31/02 .....						–2	–3	–5	–5	–6	–21	–21
8. Increase employer-provided mass transit pass income exclusion to \$100 <sup>12</sup> .....	tyba 12/31/02 .....						–2	–13	–17	–27	–30	–89	–89
Net total .....			–11	–2	–5	7	11		3	–4	–9		2

<sup>1</sup> Estimate includes change in receipts to Social Security trust fund (–\$13 million for 1998–2007).<sup>2</sup> Estimate includes change in receipts to Social Security trust fund (–\$34 million for 1998–2007).

Legend for "Effective" column: bia=bonds issued after; DOE=date of enactment; tyba=taxable years beginning after.

Note.—Details may not add to totals due to rounding.

Source: Joint Committee on Taxation.

## IV. VOTE OF THE COMMITTEE

In compliance with paragraph 7(b) of Rule XXVI of the Standing Rules of the Senate, the following statement is made concerning the vote on the motion to approve the Committee amendment.

The Committee amendment was approved by a voice vote, with a quorum present.

## V. REGULATORY IMPACT AND OTHER MATTERS

## A. REGULATORY IMPACT

Pursuant to paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following statement concerning the regulatory impact that might be incurred in carrying out the provisions of the Committee amendment.

*Impact on individuals and businesses*

The Committee amendment extends the present-law Federal Highway Trust Fund excises for 6 years, October 1, 1999–September 30, 2005, in order to provide funding for the 6-year extension of the Highway Fund authorizations in S. 1173. This extension of existing Highway Fund excise taxes will not change the tax burden on individual or business users of the Federal-aid highway system.

The Committee amendment also extends the income tax credits and partial excise tax exemptions for ethanol fuel, at a reduced subsidy rate beginning in 2001. This will increase the tax burden somewhat for individual and business users of ethanol fuels. (See revenue table in Part IV.A., above, for the estimated budget effects of this provision.)

The Committee amendment extends the authority to make expenditures from the Highway Fund for 6 years, October 1, 1997–September 30, 2003, and updates the purposes for which Highway Fund monies may be expended to include such purposes as included in S. 1173.

The Committee amendment clarifies the income tax treatment of certain environmental grant monies under a Congestion Mitigation and Air Quality Program. No inference is intended as to the treatment of amounts received under other Federal grant programs.

The Committee amendment repeals the 1.25 cents per gallon General Fund tax rate on rail diesel fuel, effective on May 16, 1999.

The Committee amendment provides that tax-exempt bonds may be issued to finance up to \$15 billion of highway infrastructure projects, such as toll roads involving private business participation.

The Committee amendment permits employers to offer employees the option of electing cash compensation in lieu of any qualified transportation benefit. The amount of cash offered is includible in income and wages only to the extent the employees elect cash. Further, the Committee amendment increases the exclusion for transit passes and

vanpooling to \$100 per month for taxable years beginning after December 31, 2002.

*Impact on personal privacy and paperwork*

The Committee amendment will not affect personal privacy, and should not involve any increase in paperwork above that currently required of individual and business taxpayers.

## B. UNFUNDED MANDATES STATEMENT

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (P.L. 104-4).

The Committee on Finance has reviewed the provisions of the revenue title to S. 1173 ("Committee amendment") approved by the Senate Committee on Finance on October 1, 1997. In accordance with the requirements of Public Law 104-4, the Unfunded Mandates Reform Act of 1995, the Committee has determined that the following provision of the Committee amendment contains Federal private sector mandates: Extension and reduction in ethanol tax credit/excise tax exemption.

As indicated in the revenue table (Part IV.A., above), this provision is estimated to increase tax revenue by \$208 million over fiscal years 2001–2007, which is the estimated amount that the private sector will be required to spend in order to comply with this Federal private sector mandate. This provision will not impose a Federal intergovernmental mandate on State, local, or tribal governments, as such governmental entities are exempt from income tax and from the motor fuels excise taxes.

## NOTICES OF HEARINGS

## COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that an oversight hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Tuesday, October 28, 1997, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on the potential impacts on, and additional responsibilities for Federal land managers by the Environmental Protection Agency's Notice of Proposed Rulemaking on regional haze regulations implementing section 169A and 169B of the Clean Air Act.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224-6170.

## COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place Thursday, October 30, 1997, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Improvement Act of 1997.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224-6170.

## SUBCOMMITTEE ON WATER AND POWER

Mr. KYL. Mr. President, for the information of the Senate and the public I am announcing that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources, will hold an oversight hearing to receive testimony to review the Federal Energy Regulatory Commission's hydroelectric relicensing procedures.

The hearing will be held on Thursday, October 30, 1997, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building.

Those interested in testifying or submitting material for the hearing record should write to the Subcommittee on Water and Power of the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510 attn: Shawn Taylor or Howard Useem at (202) 224-7875.